PEO AMMUNITION

Munitions Executive Summit

February 2012

Ammunition Enterprise Cross-Service Panel

Presented by:
BG Maddux
PEO Ammunition

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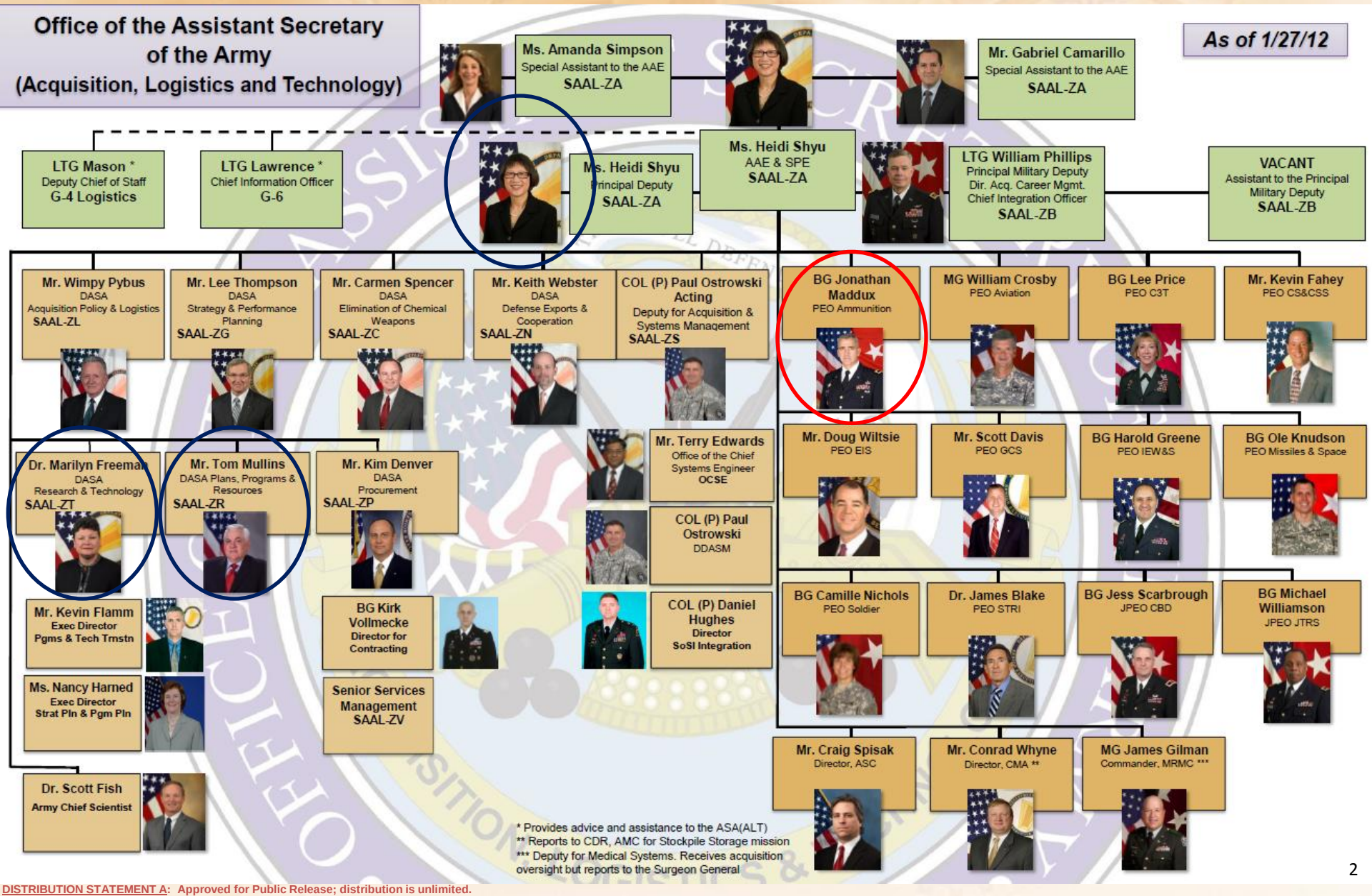
ASA(ALT) Organization



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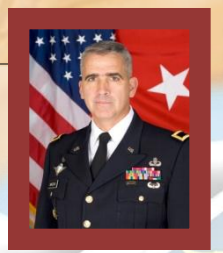
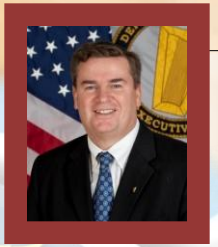
PEO Ammunition Organization

650+ Active Programs Managed in FY12 – $3.5B value



PEO Ammunition
BG Jonathan Maddux



DPEO Ammunition
Mr. James Shields

PM CAS Combat Ammunition Systems

Indirect Fire Munitions and Mortar Weapon Systems

- PM Excalibur
- PM Guided Precision Munitions & Mortar Systems

COL John Scott Turner

Chief of Staff

- Systems Acquisition
- Business Management
- Human Resources
- International
- CIO
- S&T

Mr. Chris Grassano

PM CCS Close Combat Systems

Networked Munitions, Force Application Systems, Explosive Hazard, and Countermine

- PM Countermine & EOD
- PM IED Defeat/Protect Force
- PD Area Denial
- PD Combat Munitions
- PD Support Munitions

COL Steven Cummings

PM TAS Towed Artillery Systems

Support Fires for Maneuver forces

- PM M777 Lightweight Howitzer
- PD M119A2 Digitization

Mr. Keith Gooding

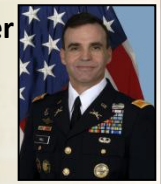
A world class organization delivering the most capable and affordable ammunition, weapons and counter IED products to the Joint Warfighter as efficiently as possible.

PD JS Joint Services

- PM Demilitarization
- Ammunition Industrial Base
- Ammunition Logistics
- Technology and Prototyping

COL Jeff Wilson

PM MAS Maneuver Ammunition Systems



Direct Fire Munitions

- PM Large Caliber
- PM Small Caliber
- PD Medium Caliber
- PD Non-Standard Ammo

COL Paul Hill

O/EDCA

Executive Director Conventional Ammunition

SMCA Assessment

CAPT Jeffrey Horton

PD JP Joint Products

Navy and Air Force Bombs & Energetics

COL Victor Rodriguez

Single Manager for Conventional Ammunition

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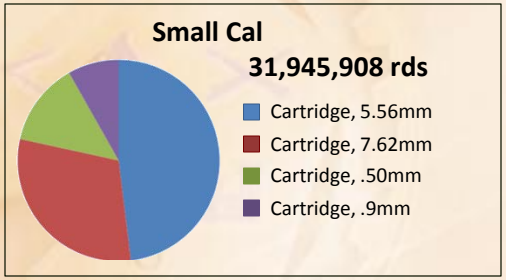
Support to the Warfighter

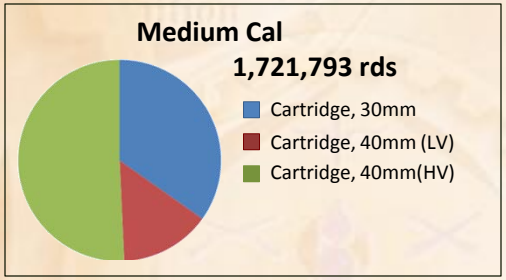
- XM7 Spider
  - USFOR-A emplaced 28 fields, excellent results
  - Increment 2 program of record requirement document in staffing
  - Competitive procurement planned for new capability

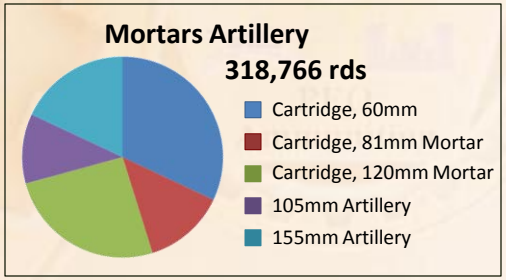
- XM395 Advanced Precision Mortar Initiative (APMI)
  - 120mm GPS guided, high explosive mortar cartridge
  - Successfully completed UMR and deployed in USFOR-A
  - Further competitive procurement under consideration

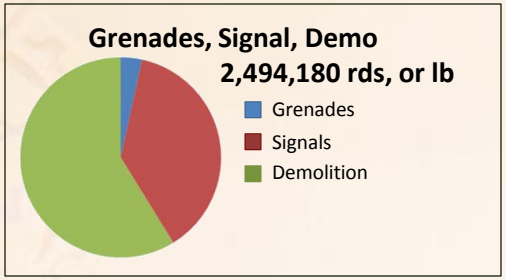
- M855A1 EPR (5.56mm) and M80E1 EPR (7.62mm)
  - Positive performance feedback
  - 50M+ on hand in theater
  - 7.62mm: qualification well underway, fielding Q2 FY13

Army Expenditures FY11









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Support to the Warfighter (cont)

- Excalibur
  - Ia-1: 558 rounds fired in Theater
  - Ia-2: IOC met 2 Dec11
  - 1b: Milestone C scheduled for 2QFY13

- Support to Other Services
  - BLU-109 2000lb Penetrator Bomb Bodies Competitive Procurement
  - BLU-111 500lb IM Bombs in production
  - Awarded contracts for the BSU-33 and MK84 Bomb Fins

- Support to Allies
  - D30 Howitzer: 130 of 194 refurbished and delivered to Afghan Army
  - Non-Standard Ammunition to Afghan Army and Iraq (Small caliber, medium caliber, mortars)

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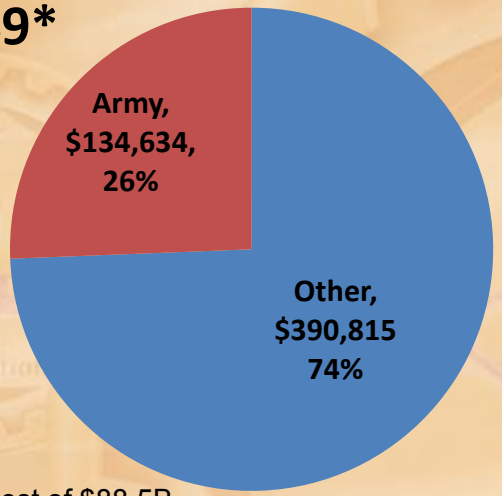
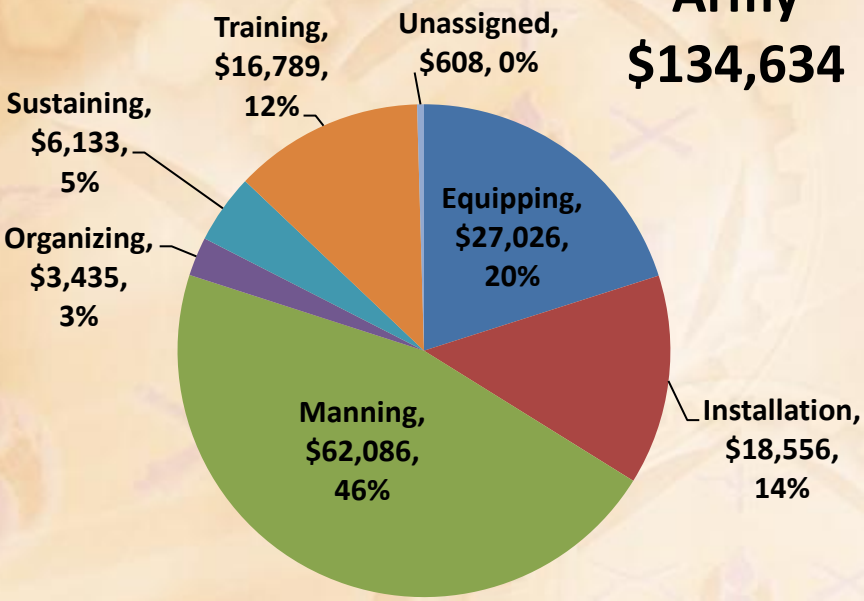
FY13 DoD/Army/PEO Budget ($M)

DoD FY13
$525,449*

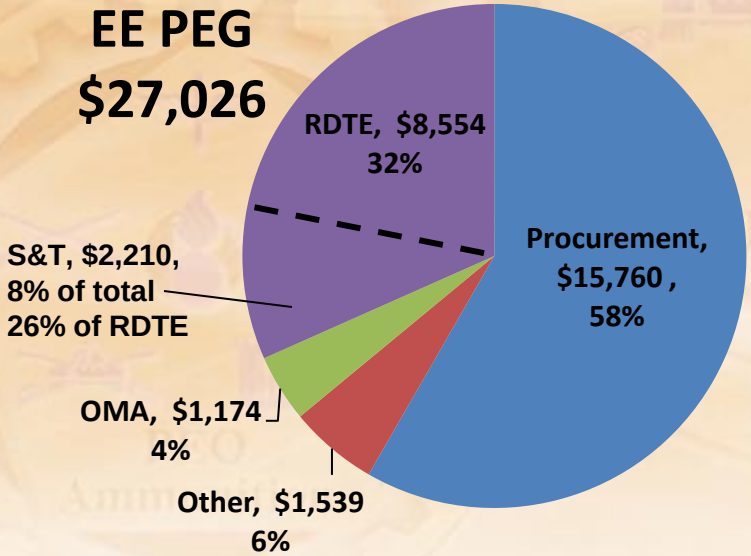


* Excludes OCO Request of $88.5B

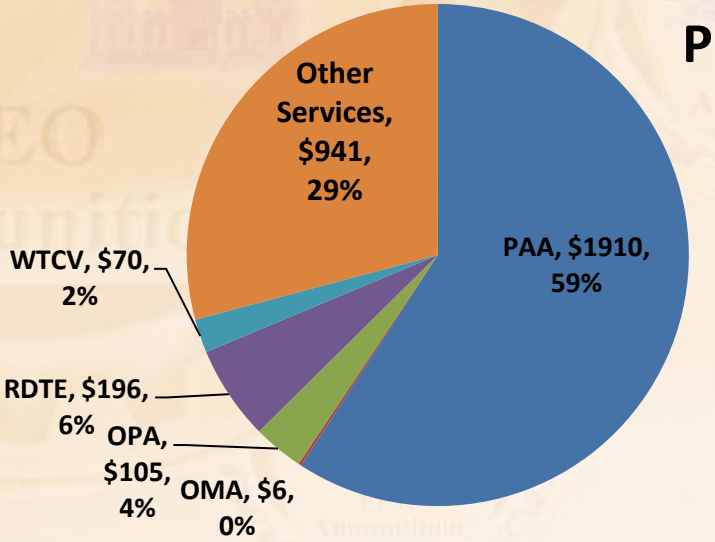
Army
$134,634



EE PEG
$27,026



PEO Ammo
$3,227



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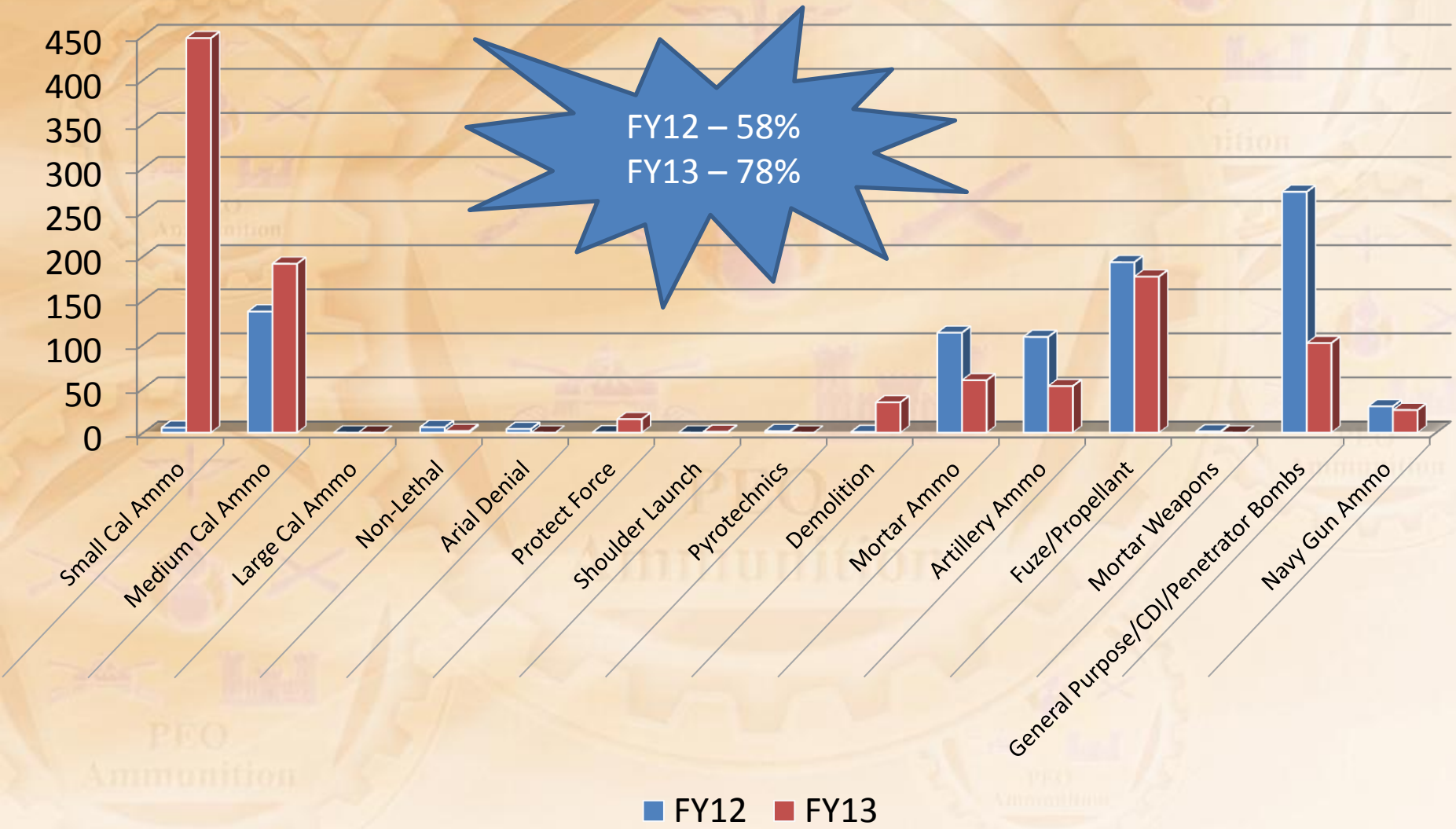
PEO Ammo FY12 & FY13
Projected Competitive Contract Awards
($ in Millions)



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Take Away for Industry Partners

- Pressure for PMs and PEOs to demonstrate cost savings originates from the highest levels in DOD and has started changing acquisition culture

- Expect this to be the way of life for the foreseeable future

- Looking for industry adjustments where appropriate:
  - Consolidate operations and identify risks
  - Adapt to new environment
  - MSR
  - Focus on costs and expect more scrutiny of cost growth
  - Propose cost saving ideas & use VECPs

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Government Approach in Building POM

- Meet multiple times per year with DA to review inventory status and TAMR
- TAMR low/no buys; IB considerations are taken into account via IBAT, Single Point Failures & Watch-list
- IB issues part of monthly reviews with the AAE
- Conduct Portfolio Reviews at DA & PEO levels
- PEO Ammo uses 806 authority to restrict procurements to the NTIB to maintain critical capabilities when appropriate
- When allowed, Government discusses with industrial partners in forums such as the ICAP

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Industrial Base Management Approach

Policy

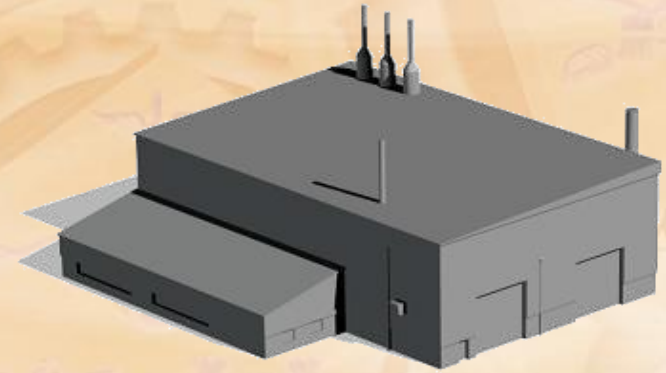
- Private Sector (AR 700-90, 10 USC 2535)
- Section 806
- Critical Infrastructure Risk Management (CIRM)
- Defense Industrial Reserve (10 USC 2535)
- DOD Directive 4275.5 Acquisition and Management of Industrial Resources

Strategy

- Industrial Base Strategic Plan
- Modernization Planning and Funds
- GOCO Competition
- Disaster Recovery Planning
- TAMR (semi-annual)

Tools

- SMCA
- Plant/Depot Capacity / Utilization Study
- Sourcing Study
- Idle Facilities Audit
- Single Point Failures
- Section 806 Watch List
- IBAT / MSR (Supply Chain Maps, Simulation & Modeling, Disaster Mapping)
- Industrial Committee of Ammunition Producers (ICAP)
- Advanced Planning Brief for Industry (APBI)
- Munitions Executive Summit (MES)



FUTURE INDUSTRIAL BASE

FUTURE INDUSTRIAL BASE

Outcome

- Efficient and Effective Operation
- Quality Product
- On Time Delivery
- In the Hands of the Warfighter

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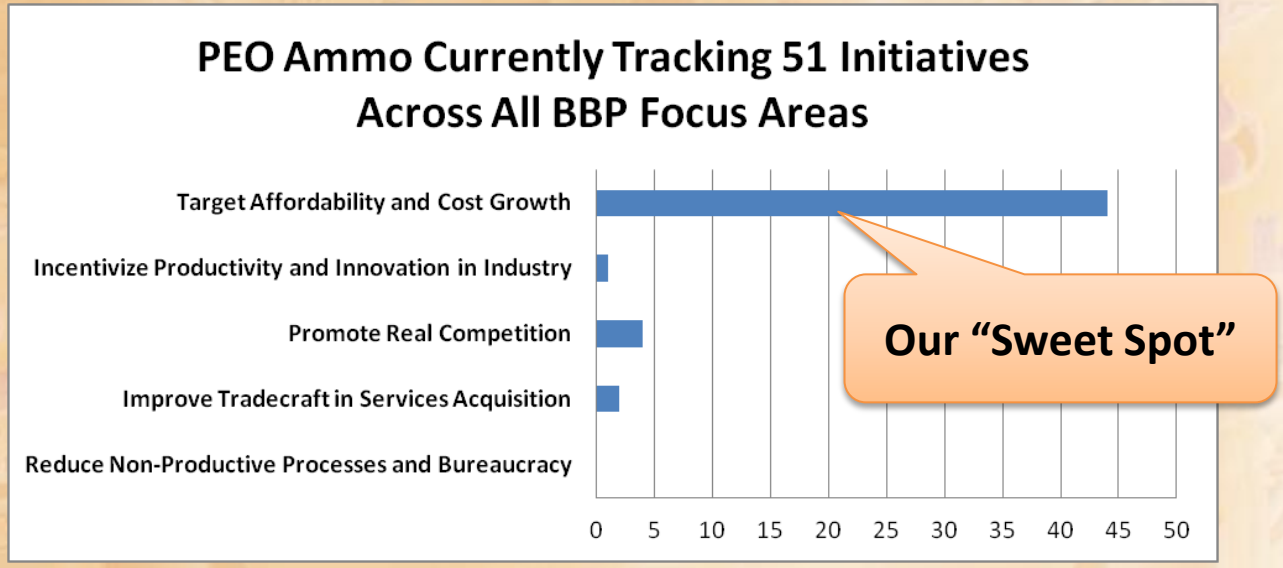
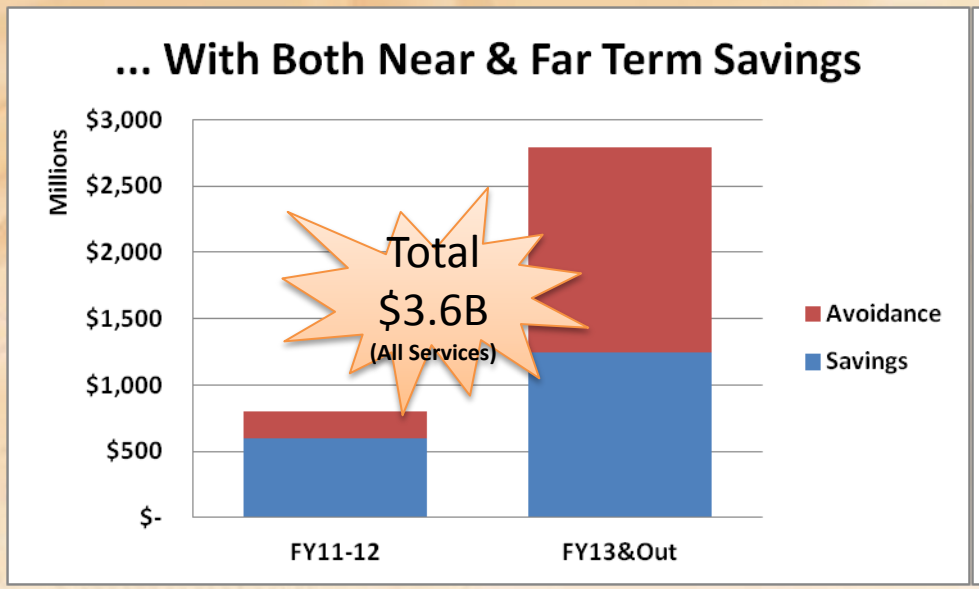
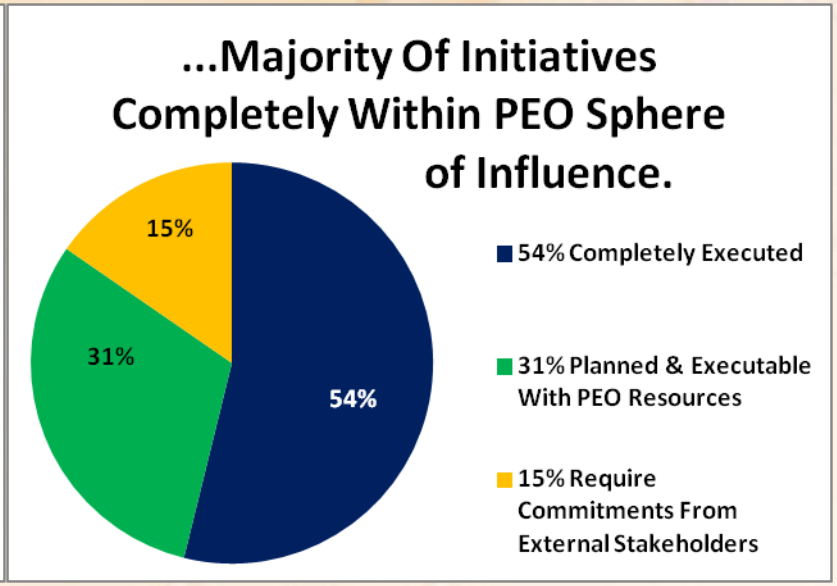
PEO AMMO Better Buying Power (BBP)







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At the End of the Day…

We're Meeting Joint Warfighter's Needs !

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THE HIGHEST
CALIBER